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ABSTRACT

In many rural areas, both communities and schools are threatened by decreasing population and changing economic conditions. To boost both the local economy and student achievement, a growing number of rural schools are turning to entrepreneurial education. In school entrepreneurship programs, students create small businesses under the guidance of the schools and community partners. Rather than focusing narrowly on teaching specific vocational skills, entrepreneurship encourages students to identify and create business opportunities while developing the skills needed to implement them. Most entrepreneurial programs are geared to high school students, but middle school and even elementary students may also benefit. The first goal of student entrepreneurship is always learning, and, therefore, the program must be integrated into the school curriculum. Entrepreneurship is well suited to interdisciplinary approaches. Classroom instruction, particularly at the higher grade levels, will need to address specific elements of business planning and operation. Teachers function more as facilitators, structuring the environment to nurture students' self-development. Schools must be prepared to adapt their traditional modes of operation to accommodate the program's needs. Community cooperation is essential to student success, and students should play an active role in developing school-community partnerships. Successful entrepreneurship programs in Alabama, Minnesota, New Mexico, Nebraska, and North Carolina are described. (SV)

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(Benefits)²

School Development
Community Development
Economic Development
Youth Development

THE EXPONENTIAL RESULTS OF LINKING SCHOOL IMPROVEMENT AND COMMUNITY DEVELOPMENT

Southwest Educational Development Laboratory

Issue Number Three

Welcome to Benefits²

This issue of *Benefits²* is the third in a series of papers focused on ways that rural schools and communities can work together so that both will thrive. Partnership projects can address both curricular and community goals, offering students hands-on educational experiences while contributing to the community's social, economic, and environmental well-being. Two primary strategies for linking school and community improvement are service learning, discussed in the previous issue, and entrepreneurial education, this issue's focus.

Rural student entrepreneurs: Linking commerce and community

The need for rural economic development

In many rural areas, both communities and schools are under threat. For many country towns and villages, changes in agriculture, business, technology, and society have decimated the local economy and eroded the social cohesiveness that once characterized rural life. Farming and ranching are dominated by agri-business enterprises. Manufacturing and industry keep moving to other countries. Rural residents must look to larger towns and cities for their livelihood, moving away altogether or commuting long distances to work. Rural residents must look to larger towns and cities for their livelihood, moving away altogether or commuting long distances to work. Most newcomers to the area are also commuters. And people who work in the city tend to spend their money in the city. One by one, the little shops on Main Street close their doors, unable to compete with big discount stores and suburban shopping malls. Rural schools in turn suffer from the drain of dollars and of population.

Continued on page 2

Rural student entrepreneurs: Linking commerce and community *continued*

As the remaining residents loosen their ties to the local community, support for the school—once a center of daily life in many locales—erodes even further. Many rural districts lack the resources to maintain school buildings, much less to offer competitive teacher salaries or support instructional reforms. At the same time, rural schools must address the issues that face educational systems across the nation: how to strengthen student achievement, how to work effectively with diverse student populations, how to engage students whose connections to the values and responsibilities of human citizenship seem ever-more tenuous.

Entrepreneurship: Supporting school and community

To boost both the local economy and student achievement, a growing number of rural schools are turning to entrepreneurial education. In school entrepreneurship programs, students create small businesses under the guidance of the school and, often, community partners. As Craig Howley and John Eckman (1997, p. 55) observe, "Integrating community development and economic revitalization with real-life learning experiences can give rural towns a chance at renewal, while students find meaningful uses for their skills."

Entrepreneurial education gained prominence among educators concerned about opportunities for inner-city youth; it is receiving more and more attention among rural educators as well. While it bears some conceptual ties to traditional vocational and business education, entrepreneurship is in many ways an outgrowth of the economic and social changes that have left vocational programs struggling to adapt to a technological, information-based economy. Rather than focusing more narrowly on teaching a specific vocational skill, entrepreneurship encourages students to identify and create business opportunities as well as to develop the skills needed to implement them.

With some programs, students go only so far as to develop business plans, leaving community members to put the plans into action or waiting till after graduation to start up their own enterprise. Learning is most powerful, however, when students are able to follow through with their plans and gain hands-on experience in actually operating the businesses they have helped to design.

Many entrepreneurship programs draw on the resources available through vocational education, such as agriculture, woodworking, or metal shop facilities and teacher expertise. Others link to community resources, such as a local construction company. Still others, particularly crafts enterprises and retail shops, may be entirely self-created.

A vast majority of entrepreneurial programs are geared to high school students. However, middle school and even elementary students also can benefit. In one school, for example, elementary students operate a successful greeting card business; in another, students run a school store, with their classmates as customers.

Requirements for entrepreneurial education

Howley and Eckman emphasize that "successful business startups can offer a lot to a community, but the real point is educational" (p. 56). The first goal of student entrepreneurship is always learning; the program, then, must be integrated into the school's ongoing curriculum. Entrepreneurship is well suited to interdisciplinary approaches; students must draw on mathematical and literacy skills as well as more specialized vocational or business-oriented understandings.

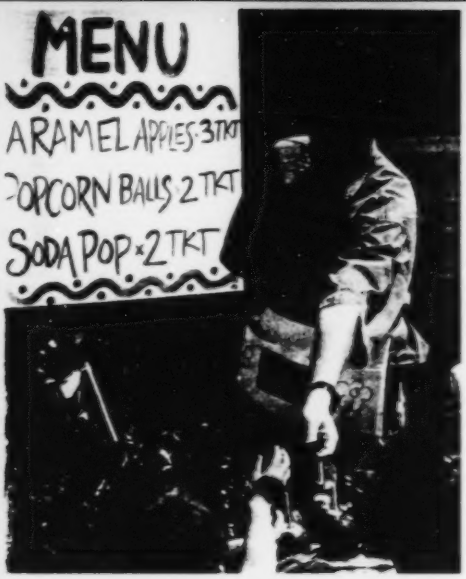
Classroom instruction, especially at higher grade levels will need to address specific elements of business planning and operation. These include:

- market research (considering the community's business needs),
- student self-assessment (identifying personal skills and resources that contribute to the likelihood of a business's success or failure),
- development of business plans (laying out goals, strategies, resource needs, costs, and timelines),
- management of production or services (creating the product or providing services on schedule, within budget, and with good quality),
- marketing (creating awareness and building demand for the product or service), and
- administration (keeping records, keeping the operation running smoothly, managing income and expenses).

As with service learning approaches described in the last issue of *Benefits*^{2}, the teacher's role in entrepreneurial education changes substantially from the more traditional function of "sage on the stage." Teachers must function more as facilitators, structuring the environment so that students can productively explore and test their own ideas, nurturing students' self-development rather than leading them to a preconceived outcome. As is usually the case with real-world, hands-on experiences, learning through entrepreneurship is less tidy than traditional instruction, conceptually as well as literally. Students work in groups, conferring, debating ideas and issues; ideas spill over from one subject to another; the learning environment expands well beyond the classroom.

Some entrepreneurial activities, such as a student-operated school store, may be confined to the school campus, with other students as the intended clients or customers. Many activities, though, will need to extend beyond school boundaries and into the community for marketing and sales, and sometimes for production or service as well. In these cases, the school principal and other staff must be prepared to adapt their traditional modes of operation to accommodate the program's needs. Rules for off-campus visits or use of school facilities may need to become more flexible. Schedules may need to be changed, consolidating class periods or extending the school day. Schools may need to share facilities, equipment, or other resources not only with student groups but also with other community members. (These and similar issues will be discussed in greater detail in an upcoming issue of *Benefits*^{2}.)

For many types of entrepreneurial activity, community cooperation is essential to student success. Formal school-community partnerships, while not an absolute requirement, can greatly facilitate entrepreneurship programs.



Some enterprises may require start-up funds in order to purchase raw materials or initial inventory. There are a variety of strategies for raising such funds, including small grants, contributions, fundraising events, or investments by community members.

Partnerships provide a structured forum for identifying community priorities and needs, building support for specific activities, generating start-up funds or other needed resources, adapting rules and customs to the needs of entrepreneurial programs, and addressing problems as they arise. For a program to be most successful in supporting student learning and growth, students will need to play an active role in such partnerships. Students should function as working members of the group and participate in decisionmaking as well as other activities. (Future issues of *Benefits*[2] will address collaborative tools and structures that can help such partnerships to succeed.)

Cautions and concerns

Rural entrepreneurship programs are intended to benefit the community as well as students. It is important, then, to be sure that student-created businesses fill gaps in locally available products and services rather than competing with existing enterprises. This requires a close understanding of the community and thorough initial market research.

Some enterprises may require start-up funds in order to purchase raw materials or initial inventory. There are a variety of strategies for raising such funds, including small grants, contributions, fundraising events, or investments by community members. Programs need to distinguish between contributions and investments, and initial planning activities need to make any necessary provisions for recouping and repaying start-up funds, as well as for distributing profits.

Ideally, student-developed businesses will be successful enough to sustain themselves beyond the immediate instructional goals of the school program. It is important to consider the possibility that any student-created enterprise may become a viable, profit-making business; the initial planning process needs to include specifications as to rights and ownership, and to provide for transition from a school-guided activity to an independent enterprise.

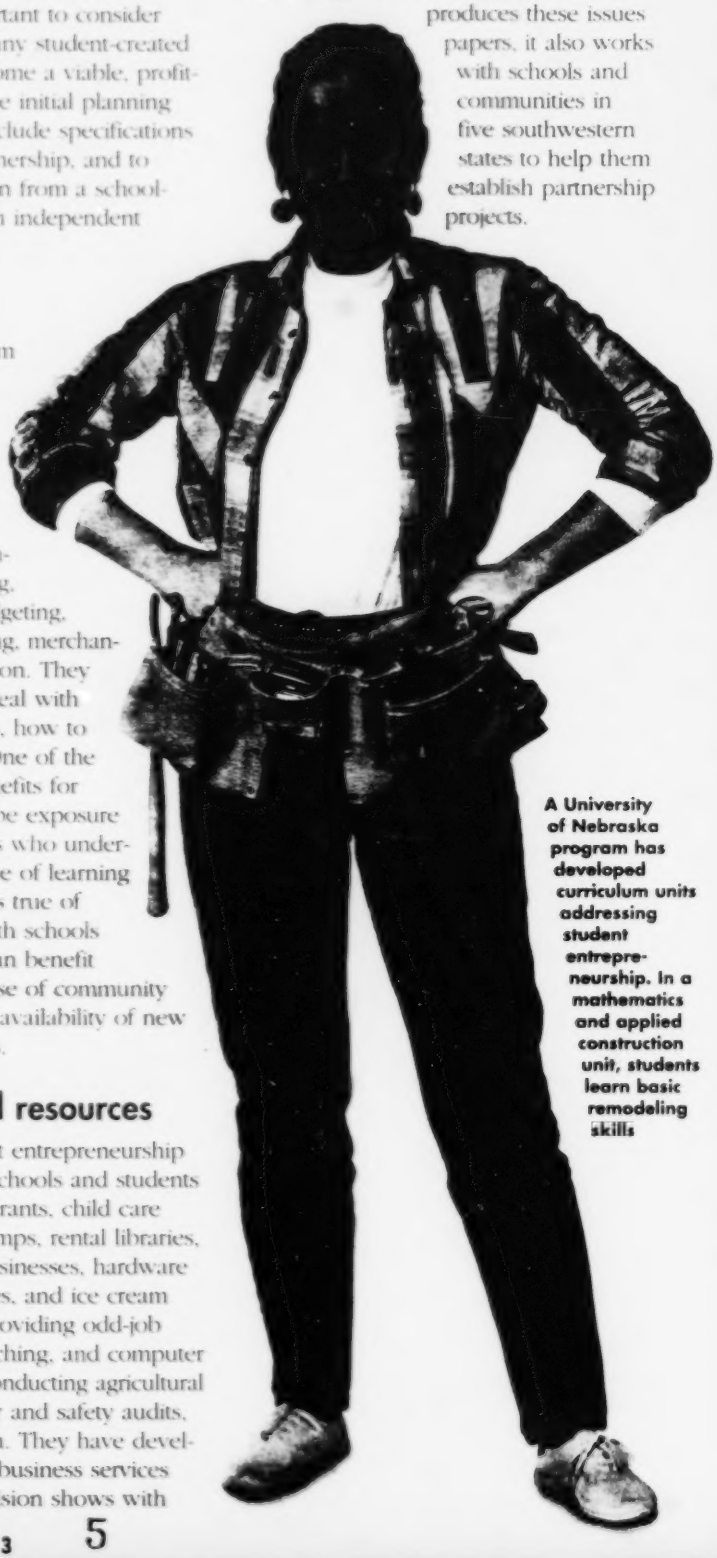
Benefits

Students benefit from entrepreneurship education in many ways. They learn life-long, transferable skills that will serve them in the world of work: planning, decisionmaking, communication, budgeting, advertising, marketing, merchandising, and production. They also learn how to deal with risk and, sometimes, how to cope with failure. One of the more important benefits for rural students may be exposure to adult role models who understand the importance of learning skills for work. As is true of service learning, both schools and townspeople can benefit from a stronger sense of community as well as from the availability of new products or services.

Examples and resources

Examples of student entrepreneurship are richly diverse. Schools and students are operating restaurants, child care centers, summer camps, rental libraries, word-processing businesses, hardware stores, grocery stores, and ice cream parlors. They are providing odd-job services, tennis coaching, and computer training. They are conducting agricultural experiments, energy and safety audits, and market research. They have developed directories of business services and produced television shows with local commercials. The following paragraphs provide further illustrations of this diversity, and also introduce several resource agencies that can provide models, information, materials, or other kinds of assistance (see sidebar on page 4).

The **Southwest Educational Development Laboratory** not only produces these issues papers, it also works with schools and communities in five southwestern states to help them establish partnership projects.



A University of Nebraska program has developed curriculum units addressing student entrepreneurship. In a mathematics and applied construction unit, students learn basic remodeling skills

Designing and silkscreening t-shirts is one of the possibilities for a student-run business.

Entrepreneurial programs are only one of a number of school-community development strategies employed in SEDL's rural Collaborative Action Team sites. In, Mora, New Mexico, a recently adopted CAT site, school staff members are working with students to plan a small business incubator project. One initial goal is to provide outlets for the sale of local crafts. In a rural Louisiana middle school, students are designing logos for t-shirts, silk screening the shirts themselves, and selling the finished product. In Balmorhea, Texas, teachers and students are beginning to explore possibilities for using the school's new woodworking center to make products needed within the community.

The **PACERS Small Schools Cooperative** operates on the premise that the school is the most important institution in rural communities, and that the future of those communities is intertwined with the school's success. Entrepreneurial projects include the development of businesses through which students build and sell solar-heated houses; build, sell, and operate greenhouses; practice organic farming and sell the produce; and operate aqua-culture systems. Most PACERS schools publish newspapers for their communities; students manage the newspaper as a business and rely on advertising to cover printing and distribution costs.

Schools affiliated with the **Center for School Change** at the University of Minnesota also have embraced entrepreneurship. In one community, students operate both the grocery store and the hardware store. In another

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Resource information

Southwest Educational Development Laboratory

The *Southwest Educational Development Laboratory* offers tools and strategies that can help school-community partnerships to run smoothly and to make significant, long-term contributions to both community and school. Community Action Team sites set their own agendas, which may include entrepreneurship, service learning, or other kinds of activities. SEDL resources include a guide and materials for starting a Collaborative Action Team; for a limited number of sites, SEDL also provides ongoing training and consultations. Southwest Educational Development Laboratory, 211 East Seventh Street, Austin, Texas, 78701, (512) 476-6861, www.sedl.org.

PACERS Small Schools Coorperative

The *PACERS Small Schools Cooperative*, operated by the University of Alabama's Program for Rural Services and Research, helps rural schools to implement a program titled "Better Schools Building Better Communities." The program consists of three interrelated components: "Genius of Place," "Sustaining Communities: Shelter, Food, Good Work, Health," and "Joy." The "Sustaining Communities" component includes provisions for entrepreneurial education. Resources that are provided include a PACERS e-mail account and linking teachers to the Alabama Course of Study. For further information contact the Program for Rural Services and Research, University of Alabama, Box 870372, Tuscaloosa, Alabama 35487, 205/348-6432, www.Pacers.org/rurserv.htm.

Center for School Change

The *Center for School Change*, based at the University of Minnesota, works with both rural and inner-city schools, helping to establish school/community teams that plan and implement innovative programs. The Center gives grants to schools that agree to a specific set of practices, which include strategies for service learning and entrepreneurship. Resources include (1) workshops for grantees, which include parents, administrators, teachers, community people, and, in the case of secondary schools, students; (2) outreach coordinators, whereby CSC staff work closely with planning and implementation sites; and (3) evaluation and assessment; staff work with each site to help them assess progress. Further information can be accessed at www.hhh.umn.edu/centers/school-change. Joe Nathan is director of the Center for School Change, Hubert H. Humphrey Institute of Public Affairs, University Minnesota, 301 19th Avenue South, Minneapolis, MN 55455, and can be reached at 612/626-1834.

School at the Center

The *School at the Center* project was established in 1990 by two professors at the University of Nebraska at Lincoln. Its mission is to place the school at the center of the community, thereby contributing to rural renewal both culturally and economically. The Center provides grants, networking and technical assistance. Resources include curriculum units addressing entrepreneurial education. Assistance is provided by the Nebraska University Teachers College, the Center for Rural Affairs in Walthill, and businesses and agencies including the Nebraska departments of economic development and education. Major funding is through the Annenberg Rural Challenge. Contact Paul Olson, Foundation Professor of English at the University of Nebraska, 33B Andrews Hall, Lincoln, NE 68588-0333, 402/472-3198; www.unl.edu/alumni/school.htm.

REAL Enterprises

REAL Enterprises, Inc. encourages the creation of school-based community development corporations that serve as a way for schools to educate their youth to stay in their communities and thrive as entrepreneurs. REAL provides curriculum materials and teacher training in entrepreneurship and small business management. REAL Enterprises, 115 Market Street, Suite 320, Durham, North Carolina 27701, (919) 688-7325.

Creating economic opportunities in northern New Mexico

Nestled within a valley of the Sangre de Cristos, Mora, New Mexico— one of SEDL's Community Action Team sites—reflects both the rich traditions and the harsh struggles of many New Mexico mountain communities. In Mora, though, students are helping to tip the balance through a variety of entrepreneurial activities.

Two area resources—the Center for the Education and Study of Diverse Populations at nearby New Mexico Highlands University, and La Jicarita Enterprise Community—help to support entrepreneurial education for students in Mora and surrounding communities. Through a consortium of ten area school districts, the Center promotes career-focused student learning. Eric Romero, a research associate and the consortium's coordinator, works with school staffs to increase awareness of the benefits and approaches of entrepreneurial education.

"For teachers to get involved," he observes, "they have to see a link between the activity and the state-mandated content standards and benchmarks." With accountability strongly linked to student performance on standardized tests, "if something doesn't show up on a test score, teachers wonder why they should bother." The solution? Linking entrepreneurship to content standards, and involving teachers early in the planning process. Once they're committed, Romero explains, teachers can be a project's greatest resource, not only overseeing student activities but using their knowledge of the community to identify new business opportunities. In Mora, the consortium is exploring opportunities in sustainable agriculture and tourism.

La Jicarita Enterprise Community operates a school-to-work transition program in Mora and other nearby towns. The program provides training and materials through which students develop business plans; the training culminates in a trade fair where students attempt to sell their products to parents and community members.

As Michael Rivera, La Jicarita's director for youth development, observes, however, "the real support is needed after the training is over." To help students who seek to turn their business plans into ongoing reality, the program sets up "incubator centers" where students can use the space, equipment, and supplies to further their enterprises. A youth entrepreneurship counselor is also available to offer advice and problem-solving strategies. Student-developed businesses to date include a produce market, a candlemaker, an airbrush artist, and a caterer specializing in wedding cakes.

Both Romero and Rivera have established links with Mora's fledgling Community Action Team. Though action plans have yet to be finalized, the team is enthusiastic about the possibilities entrepreneurial education offers for both community development and students' academic success.

community students own and operate an ice cream soda fountain; the school has developed curriculum materials to teach marketing, accounting, journalism, and entrepreneurship through student experiences with the soda fountain. Students in a community located near a state park operate a shop where they provide bike rentals and bicycle repair services and supplies.

The **School at the Center** project at the University of Nebraska at Lincoln has developed curriculum units addressing student entrepreneurship. In a mathematics and applied construction unit, students learn basic remodeling skills and can apply their skills through working as an apprentice while building affordable housing. Students also make repairs in the homes of elderly citizens.

REAL Enterprises, Inc., first established in North Carolina in the 1980s, has grown into a national organization. Through the program, students develop business plans and often actually implement small businesses. A local community support team, composed of local entrepreneurs and small business owners, helps with planning and support. The following excerpt from a report on an Oklahoma REAL project offers a good illustration of the kinds of student enterprises supported via this program:

"A second-year REAL student" announced on the first day of class that she had planted 30 acres of birdseed millet and wanted to market it for her REAL project. Since [she] had raised and marketed Gilbeigh cattle and several craft projects the previous year, the rest of the class knew she meant business and decided to join her. As we started contacting bird supply stores, feed and seed stores, and landscaping shops, we found a warm reception and a real need for bird houses, bird feeders, squirrel feeders, and other kinds of feed. We also found a demand for hay bales and corn shucks for yard decorations" (Denise Coldwater, in *The REAL Story*, Spring 1996, p. 4).

Conclusion

Entrepreneurship offers special benefits to rural communities in need of enterprises that bolster the local economy and encourage residents to support their home-town businesses. The most powerful argument in its favor, however, is that entrepreneurial education reflects the power of what reformers describe as *authentic learning*. As a student editor of a school-community newspaper explains, "This work is definitely preparing me for the real world . . . You can learn so much more by doing something than you can by staring at a teacher in front of a chalk board." (*PACERS Cooperative Newsletter*, April 1995, n.p.) A high school vocational director working with the REAL Enterprises curriculum sums it up perhaps most effectively:

> We have kids who come to school early in the morning and who stay late because they're working on their businesses, they're using the phone, the faxes, the stuff like that we provide . . . Suddenly [kids] realize why they need to take accounting, why they need the math and communication skills. Not to make a pun, but what used to be abstract becomes REAL. (*The REAL Story*, Spring 1996, p. 1)

References

Craig B. Howley & John M. Eckman (1997), *Sustainable small schools: A handbook for rural communities*. Clearinghouse on Rural Education and Small Schools, Appalachia Educational Laboratory, PO Box 1348, Charleston, West Virginia 25325.

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